Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 JAKART 07442 060923Z
ACTION EA-12

INFO OCT-01 ISO-00 AID-05 ONY-00 SSO-00 /018 W
----------082400 060929Z /11
O 060835Z JUN 78
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC IMMEDIATE 9249

C O N F I D E N T I A L JAKARTA 7442

EYES ONLY FOR OAKLEY AND ADLER

E.O. 11652: GDS
TAGS: EFIN, ASEAN, EAID
SUBJECT: PROPOSED DEVELOPMENT ALTERNATIVES INC. (DAI) CONTRACT FOR PROVINCIAL AREA DEVELOPMENT PROGRAM (PDP) I

REF: A) STATE 141901 B) JAKARTA 6904 C) STATE 121042

1. FOLLOWING IS MORE DETAILED DESCRIPTION OF LARSON/MINTZ CONVERSATION WITH ATAR SIBERO ON MAY 24 AS REQUESTED REF A.

A. MR. LARSON BEGAN BY STATING THAT BASED ON EVALUATION OF VARIOUS PROPOSALS AID BELIEVES DAI IS THE MOST TECHNICALLY COMPETENT FIRM TO SERVICE PDP I AND THAT NEGOTIATIONS WITH DAI TO PROVIDE TECHNICAL ADVISORY SERVICES FOR PDP I ARE ALMOST COMPLETED BUT THAT PRIOR TO EXECUTION OF THE CONTRACT THERE ONE MATTER WHICH USAID DESIRES TO ADVISE MINISTRY OF HOME AFFAIRS. MR. LARSON THEN WENT THROUGH A BRIEF SUMMARY OF THE ASSOCIATION OF MR. SCHAEFER (AS DAI'S COMMERCIAL DEVELOPMENT OFFICER) AND DAI WITH SOUTHERN PHILIPPINES. THIS INCLUDED AN EXPLANATION OF MR. SCHAEFER'S (I) INITIAL EXPLORATIONS OF POSSIBILITIES FOR NEW TOWN DEVELOPMENT (WHILE AN EMPLOYEE OF ANOTHER FIRM) IN MINDANAO; (II) MEETING AND EVOLVING FRIENDSHIPS WITH MR. AND MRS. LUCMAN AND OTHER LEADERS ON BOTH SIDES OF CONFLICT; (III) SUBSEQUENT ATTEMPTS TO NEGOTIATE A PEACE SETTLEMENT; AND (IV) ATTEMPTS TO ACHIEVE ECONOMIC DEVELOPMENT IN SOUTHERN PHILIPPINES THROUGH MINDANAO AREA DEVELOPMENT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 JAKART 07442 060923Z

COUNCIL (MDAC) AND OPEC INVESTMENT CAPITAL. IT WAS EMPHASIZED THAT MR. SCHAEFER AT ALL TIMES APPEARED TO FULLY INFORM AND HAVE THE SUPPORT OF THE GOVERNMENT OF THE PHILIPPINES. MR. LARSON ALSO STATED THAT THERE IS THE POSSIBILITY THAT A U.S. NEWSPAPER COLUMNIST WHO HAS KNOWLEDGE OF THESE ACTIVITIES MIGHT SEEK TO MAKE THEM PUBLIC. SIBERO WAS ALSO ADVISED THAT SCHAEFER NEITHER HAS NOR WOULD HAVE ANY ROLE IN INDONESIAN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

PROJECT. THE PRESENTATION ENDED BY REPEATING THAT THIS INFORMATION WAS BEING RELAYED TO THE MINISTRY OF HOME AFFAIRS TO KEEP THEM FULLY INFORMED OF ALL ASPECTS OF DAI'S BACKGROUND; THAT AID IS READY TO EXECUTE THE CONTRACT; AND THAT DAI, OF COURSE, HAS NO INTENTION OF BECOMING INVOLVED IN THE INDONESIAN POLITICAL SITUATION.

B. MR. SIBERO'S IMMEDIATE REACTION WAS TO STATE HIS MINISTER'S SENSITIVITY TO ANY POSSIBLE POLITICAL INVOLVEMENT BY TECHNICAL ADVISORS AND THAT THIS INFORMATION PRESENTS A REAL PROBLEM FOR HIM. MR. LARSON ASKED WHETHER HE WOULD FIND IT USEFUL TO HAVE A REPRESENTATIVE OF DAI VISIT JAKARTA TO MORE FULLY DESCRIBE THE SITUATION AND MR. SIBERO RESPONDED VERY POSITIVELY.

2. HOPE THE ABOVE PROVIDES FULLER ACCOUNT OF REFERENCED CONVERSATION. RELATED TO MEETING WITH DAI ON JUNE 6, MINTZ RECEIVED PHONE CALL FROM DAI PDP I BACKSTOP OFFICER, ALAN ROTH, ON JUNE 6 AT 0800 HOURS JAKARTA TIME. MR. ROTH STATED THAT HIS FIRM HAS JUST BEEN ADVISED OF MAY 24 MEETING AND WILL SEND OUT REPRESENTATIVE AS SUGGESTED; EITHER HIMSELF OR DAI PRESIDENT MICKELWAIT. MINTZ ADVISED ROTH THAT GIVEN ISSUE IN QUESTION, THERE MIGHT BE MORE VALUE IN MICKELWAIT VISITATION BUT THAT FINAL DECISION RESTS WITH DAI.

3. REQUEST AID DIRECTOR NIBLOCK, IF HE DEEMS APPROPRIATE, ADVISE DAI THAT USAID INTENDS TO EXECUTE PSC WITH ELIGIO J.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 JAKART 07442 060923Z

TAVANLAR IMMEDIATELY FOR ONE MONTH PERIOD PRIOR TO EXECUTION DAI CONTRACT (AND HIS EMPLOYMENT UNDER DAI CONTRACT AS ADVISOR FOR ACEH PDP) TO PROGRAM, ARRANGE AND ESCORT ACEHNESE GOVERNMENT OFFICIALS IN OBSERVATIONAL TRAVEL TOUR/TRAINING IN PHILIPPINES ON/ABOUT JULY 1. THIS TRAINING PROGRAM NECESSARY PREREQUISITE TO COMMENCING ACEH PDP IN IFY 1978/79 AND CANNOT WAIT RESOLUTION OF MAJOR ISSUE FACING DAI CONTRACT IN INDONESIA.

4. REQUEST ADVICE SOONEST REGARDING OUTCOME JUNE 6 MEETING, NECESSARY USAID ACTIONS, AND ETA DAI REPRESENTATIVE JAKARTA.
MASTERS

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEVELOPMENT PROGRAMS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 06 jun 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JAKART07442
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780235-0962
Format: TEL
From: JAKARTA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780693/aaaadbot.tel
Line Count: 106
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fd156e91-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: 78 STATE 141901, 78 JAKARTA 6904, 78 STATE 121042
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2479891
Secure: OPEN
Status: NATIVE
Subject: PROPOSED DEVELOPMENT ALTERNATIVES INC. (DAI) CONTRACT FOR PROVINCIAL AREA DEVELOPMENT PROGRAM (PDP) I
TAGS: EFIN, EAID, ASEAN, DEVELOPMENT ALTERNATIVES INC
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/fd156e91-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014